

Senate File 152 - Introduced

SENATE FILE _____
BY RAGAN and KREIMAN

(COMPANION TO LSB 1315HH
BY KUHN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act allowing certain associations to qualify as self-insurers
2 for purposes of Iowa's motor vehicle financial responsibility
3 laws.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1315SS 82
6 av/gg/14

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1 1 Section 1. Section 321.20B, subsection 2, paragraph b,
1 2 Code 2007, is amended to read as follows:
1 3 b. The insurance division and the department, as
1 4 appropriate, shall adopt rules regarding the contents of a
1 5 financial liability coverage card to be issued pursuant to
1 6 this section.
1 7 (1) Notwithstanding the provisions of this section, a
1 8 fleet owner who is issued a certificate of self-insurance
1 9 pursuant to section 321A.34, subsection 1, is not required to
1 10 maintain in each vehicle a financial liability coverage card
1 11 with the individual registration number or the vehicle
1 12 identification number of the vehicle included on the card.
1 13 Such fleet owner shall be required to maintain a financial
1 14 liability coverage card in each vehicle in the fleet including
1 15 information deemed appropriate by the commissioner of
1 16 insurance or the director, as applicable.
1 17 (2) An association of individual members that is issued a
1 18 certificate of self-insurance pursuant to section 321A.34,
1 19 subsection 2, is required to maintain in each vehicle of an
1 20 individual member a financial liability coverage card that
1 21 complies with the provisions of this section and in addition
1 22 contains information relating to the association and the
1 23 association's certificate of self-insurance as is deemed
1 24 appropriate by the commissioner of insurance or the director.

1 25 Sec. 2. Section 321A.34, subsections 1 and 2, Code 2007,
1 26 are amended to read as follows:
1 27 1. a. Any person in whose name more than twenty-five
1 28 motor vehicles are registered may qualify as a self-insurer by
1 29 obtaining a certificate of self-insurance issued by the
1 30 department as provided in ~~subsection 2 of this section~~
1 31 paragraph "b".
1 32 ~~2. b.~~ The department may, upon the application of such a
1 33 person, issue a certificate of self-insurance if the
1 34 department is satisfied that the person has and will continue
1 35 to have the ability to pay judgments obtained against the
2 1 person for damages arising out of the ownership, maintenance,
2 2 or use of any vehicle owned by the person. A person issued a
2 3 certificate of self-insurance pursuant to this ~~section~~
2 4 subsection shall maintain a financial liability coverage card
2 5 as provided in section 321.20B, subsection 2, paragraph "b".
2 6 subparagraph (1).
2 7 2. a. Any association of individual members that is a
2 8 legal entity with the power to sue and be sued in its own name
2 9 and which is composed of individual members in whose names a
2 10 total of more than twenty-five motor vehicles are registered,
2 11 may qualify as a self-insurer by obtaining a certificate of
2 12 insurance issued by the department as provided in paragraph
2 13 "b".
2 14 b. The department may, upon the application of such an
2 15 association, issue a certificate of self-insurance if the
2 16 department is satisfied that the association has and will

~~2 17 continue to have the ability to pay judgments obtained against~~
~~2 18 the association or against an individual member of the~~
~~2 19 association for damages arising out of the ownership,~~
~~2 20 maintenance, or use of any vehicle owned by an individual~~
~~2 21 member of the association. An association issued a~~
~~2 22 certificate of self=insurance pursuant to this paragraph shall~~
~~2 23 maintain a financial liability coverage card as provided in~~
~~2 24 section 321.20B, subsection 2, paragraph "b", subparagraph~~
~~2 25 (2).~~

2 26 EXPLANATION

2 27 This bill allows certain associations to qualify as
2 28 self=insurers for purposes of Iowa's motor vehicle financial
2 29 responsibility laws.

2 30 Code section 321.20B is amended to provide that an
2 31 association of individual members that is issued a certificate
2 32 of self=insurance pursuant to Code section 321A.34, subsection
2 33 2, is required to maintain in each vehicle of an individual
2 34 member a financial liability card that complies with the
2 35 provisions of the section and in addition contains information
3 1 relating to the association and the association's certificate
3 2 of self=insurance as deemed appropriate by the commissioner of
3 3 insurance or the director of the department of transportation.

3 4 Code section 321.34 is amended by adding a new subsection
3 5 that allows an association of individual members that is a
3 6 legal entity with the power to sue and be sued in its own name
3 7 and which is composed of individual members in whose names a
3 8 total of more than 25 motor vehicles are registered, to
3 9 qualify as a self=insurer by obtaining a certificate of
3 10 self=insurance issued by the department of transportation.

3 11 The bill further provides that the department shall issue
3 12 such a certificate of self=insurance if the department is
3 13 satisfied that the association has and will continue to have
3 14 the ability to pay judgments obtained against the association
3 15 or against an individual member of the association for damages
3 16 arising out of the ownership, maintenance, or use of any
3 17 vehicle owned by an individual member of the association. An
3 18 association that is issued a certificate of self=insurance is
3 19 required to maintain a financial liability coverage card as
3 20 described above.

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